

B26 (Official Form 26) (12/08)

United States Bankruptcy Court  
WESTERN District of NORTH CAROLINA

In re CALVIN KENNEDY,  
CYNTHIA KENNEDY  
Debtor

Case No. 20-30208  
Chapter 11

PERIODIC REPORT REGARDING VALUE, OPERATIONS AND PROFITABILITY OF ENTITIES IN WHICH THE ESTATE OF [NAME OF DEBTOR] HOLDS A SUBSTANTIAL OR CONTROLLING INTEREST

This is the report as of 12.31.19 on the value, operations and profitability of those entities in which the estate holds a substantial or controlling interest, as required by Bankruptcy Rule 2015.3. The estate of [Name of Debtor] holds a substantial or controlling interest in the following entities:

Name of Entity	Interest of the Estate	Tab #
RAMSEY-PEELE CORP.	85%	1
VALUE INNOVATION TECHNOLOGIES	85%	2

This periodic report (the “Periodic Report”) contains separate reports (“Entity Reports”) on the value, operations, and profitability of each entity listed above.

Each Entity Report shall consist of three exhibits. Exhibit A contains a valuation estimate for the entity as of a date not more than two years prior to the date of this report. It also contains a description of the valuation method used. Exhibit B contains a balance sheet, a statement of income (loss), a statement of cash flows, and a statement of changes in shareholders’ or partners’ equity (deficit) for the period covered by the Entity Report, along with summarized footnotes. Exhibit C contains a description of the entity’s business operations.

THIS REPORT MUST BE SIGNED BY A REPRESENTATIVE OF THE TRUSTEE OR DEBTOR IN POSSESSION.

The undersigned, having reviewed the above listing of entities in which the estate of [Debtor] holds a substantial or controlling interest, and being familiar with the Debtor’s financial affairs, verifies under the penalty of perjury that the listing is complete, accurate and truthful to the best of his/her knowledge.

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Date: 3.13.2020

\_\_\_\_\_  
Signature of Authorized Individual

\_\_\_\_\_  
Name of Authorized Individual

\_\_\_\_\_  
Title of Authorized Individual

[If the Debtor is an individual or in a joint case]

Signature(s) of Debtor(s) (Individual/Joint)

*Calvin Ross Kennedy*  
Signature of Debtor

*Cynthia M. Kennedy*  
Signature of Joint Debtor

**TAB 1, RAMSEY-PEELE CORPORATION**

## **Valuation Estimate**

### **Ramsey-Peele Corporation**

Ramsey-Peele Corp. has a negative shareholder's equity balance, suggesting a valuation of \$0. Independent operators of daycare businesses have been challenged by national and regional chains that have made it very hard to compete. As a result, other independent daycare operations have been selling for an amount approximately equal to the value of the real estate (any owned facilities). Based on the comparable sales method, Ramsey-Peele Corp. has a valuation of not more than \$50,000.

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**Ramsey-Peele Corporation**  
**Balance Sheet**  
As of December 31, 2019

	Total
<b>ASSETS</b>	
Current Assets	
Total Bank Accounts	\$ 149,896.09
Other Current Assets	
1255 Due from/(to) Affiliates	64,039.70
Total Current Assets	\$ 213,935.79
Total Fixed Assets	\$ 77,417.37
Other Assets	
Security Deposits	19,415.00
<b>TOTAL ASSETS</b>	<b>\$ 310,768.16</b>
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	\$ 101,748.81
Credit Cards	\$ 11,529.73
Other Current Liabilities	
2152 Due-to/(from)-C. Ray Kennedy	0.00
Other Current Liabilities	85,527.48
Total Other Current Liabilities	\$ 85,527.48
Total Current Liabilities	\$ 198,806.02
Long-Term Liabilities	
2130 Notes Payable - Daimler Truck	41,488.37
Notes Payable	97,514.97
Notes Payable - C.Ray & Cynthia Kennedy	1,550,749.19
Notes Payable - Cynthia Kennedy	51,347.16
Notes Payable - Kim Griffith	390,811.57
Notes Payable - Lending Club	76,664.72
Total Long-Term Liabilities	\$ 2,208,575.98
Total Liabilities	\$ 2,407,382.00
Equity	
3000 Common Stock	1,000.00
3001 Paid-In Capital or Surplus	175,921.49
Opening Balance Equity	-2,214,467.00
Owner's Pay & Personal Expenses	-1,943.64
Retained Earnings	-221,146.53
Net Income	164,021.84
Total Equity	-\$ 2,096,613.84
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 310,768.16</b>

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**Ramsey-Peele Corporation**  
**Profit and Loss**

For the Year to Date Period Ending December 31, 2019

	<u>Total</u>
Income	
Food Services	\$ 237,442.29
Grants	1,771,440.02
NC Pre-K	215,639.16
Tuition	2,505,401.24
Total Income	<u>\$ 4,729,922.71</u>
 Total Cost of Services Provided	 <u>\$ 493,759.07</u>
Gross Profit	<u>\$ 4,236,163.64</u>
Expenses	
Insurance	\$ 165,345.56
Salaries and Wages	2,574,054.19
Contractors	790.90
Payroll Taxes	194,526.69
401K Employer Match	18,107.51
Other Payroll Expenses	15,713.68
Bank Charges & Fees	6,739.82
Car & Truck	90,978.35
Dues & subscriptions	3,441.29
Employee Benefits	1,125.00
Employee Training	4,488.41
Legal & Professional Services	129,747.64
Meals & Entertainment	4,452.35
Office Supplies & Software	18,819.70
Other Business Expenses	32,902.75
Purchases	632.26
Rent & Lease	539,179.70
Repairs & Maintenance	142,989.45
Shipping and Postage	788.22
Storage	8,493.30
Supplies & Materials	19,379.28
Total Travel	949.56
Total Utilities	87,583.88
Total Expenses	<u>\$ 4,061,229.49</u>
Net Operating Inc. before Int., Taxes, & Depre.	<u>\$ 174,934.15</u>
Depreciation	0.00
Interest Paid	7,142.87
Taxes & Licenses	3,769.44
Net Income	<u><u>\$ 164,021.84</u></u>

**Ramsey-Peele Corporation**  
**Statement of Cash Flows**  
For the Year to Date Period Ending December 31, 2019

	Total
<b>OPERATING ACTIVITIES</b>	
Net Income	164,021.84
Adjustments to reconcile Net Income to Net Cash provided by operations:	
1255 Due to/(from) Affiliates	-37,126.34
Accounts Payable (A/P)	-157,854.47
FC Line Of Credit (0088)	-305.10
HC Line Of Credit (0082)	1,143.09
NC Line Of Credit (0054)	255.37
UCDC Line Of Credit (0039)	1,376.86
UEP Line Of Credit (0047)	801.28
2152 Due-to/(from)-C. Ray Kennedy	0.00
Other Current Liabilities	85,527.48
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	-\$ 106,181.83
Net cash provided by operating activities	\$ 57,840.01
<b>INVESTING ACTIVITIES</b>	
Net cash provided by investing activities	\$ 0.00
<b>FINANCING ACTIVITIES</b>	
2130 Notes Payable - Daimler Truck	-20,723.09
2132 Notes Payable - Nissan Motor	0.00
Notes Payable	97,514.97
Notes Payable - C.Ray & Cynthia Kennedy	22,683.99
Notes Payable - Cynthia Kennedy	-6,007.32
Notes Payable - Kim Griffith	-16,124.97
Notes Payable - Lending Club	-131,556.96
Net cash provided by financing activities	-\$ 54,213.38
Net cash increase for period	\$ 3,626.63
Cash at beginning of period	146,269.46
Cash at end of period	\$ 149,896.09

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Ramsey-Peele Corporation

Statement of Stockholder's Equity

For the Year Ending December 31, 2019

	Common Stock	Additional Paid-in Capital	Retained Earnings
Balance, December 31, 2018	\$ 1,000.00	\$ 175,921.49	\$ (2,435,613.33)
Net Income (Loss)			164,021.84
Balance, December 31, 2019	<u>1,000.00</u>	<u>175,921.49</u>	<u>(2,271,591.49)</u>



## **Description of Operations – Ramsey-Peele Corporation**

Ramsey-Peele Corp. operates three daycare centers in the Charlotte, NC area under the name University Child Development Center.

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**TAB 2, VALUE INNOVATION TECHNOLOGIES CORP.**

**Valuation Estimate**

**Value Innovation Technologies Corp.**

Value Innovation Technologies Corp. (VIT) is a startup company with significant debt, inconsistent revenue, and significant losses to date. The company has negative equity, suggesting a valuation of \$0. VIT also has a negative retained earnings balance. This suggests a discounted cash flow valuation of \$0.

Value Innovation Technologies

Balance Sheet

As of December 31, 2019

	Total
ASSETS	
Current Assets	
Bank Accounts	
1011 Operating Checking (4790)	-447.31
1100 Payroll Checking (5549)	1,520.70
Total Bank Accounts	\$ 1,073.39
Accounts Receivable	
1200 Accounts Receivable (A/R)	250,000.00
Total Accounts Receivable	\$ 250,000.00
Total Current Assets	\$ 251,073.39
Fixed Assets	
1625 eLink Software	2,411,054.10
1702 Accumulated Depreciation	-634,052.00
Total Fixed Assets	\$ 1,777,002.10
TOTAL ASSETS	\$ 2,028,075.49
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable (A/P)	36,382.25
Total Accounts Payable	\$ 36,382.25
Other Current Liabilities	
2010 Unearned Income	250,000.00
Loan Payable	260,000.00
Total Other Current Liabilities	\$ 510,000.00
Total Current Liabilities	\$ 546,382.25
Long-Term Liabilities	
2110 Note Payable - R. Annable	338,684.93
2120 Note Payable - C. McKee	34,371.14
2130 Note Payable - Decathlon	2,405,030.90
2152 Note Payable - Mr. Kennedy	246,352.52
2155 Note Payable - Related Parties	22,155.51
Total Long-Term Liabilities	\$ 3,046,595.00
Total Liabilities	\$ 3,592,977.25
Equity	
3000 Common Stock	650,000.00
3550 Paid-In Capital	19,600.00
Opening Balance Equity	-2,753,186.00
Retained Earnings	2,012,079.50
Net Income	-1,493,395.26
Total Equity	-\$ 1,564,901.76
TOTAL LIABILITIES AND EQUITY	\$ 2,028,075.49

Value Innovation Technologies

Profit and Loss

January - December 2019

Income	
4028 Gateway Subscription	32,249.25
Billable Expense Income	5,000.00
Total Income	\$ 37,249.25
Cost of Goods Sold	
5000 eLink Software Costs	81,355.36
Total Cost of Goods Sold	\$ 81,355.36
Gross Profit	-\$ 44,106.11
Expenses	
6300 Insurance	-10,937.29
6302 Life	3,465.12
6303 General Liability	2,765.66
6304 Medical	38,988.00
6306 Dental & Vision	3,828.36
Total 6300 Insurance	\$ 38,109.85
6700 Salaries and wages	208,650.75
6710 Contractors	33,920.00
6730 Payroll Taxes	0.00
6731 Social Security Withholding	12,407.68
6732 Medicare Withholding	2,901.83
6733 Federal Unemployment	126.00
6734 State Unemployment	2,045.76
Total 6730 Payroll Taxes	\$ 17,481.27
Advertising & Marketing	16,265.36
Bank Charges & Fees	2,871.00
Dues & Subscriptions	795.00
Interest Paid	850,606.06
Legal & Professional Services	42,134.51
Office Supplies & Software	4,661.64
Other Business Expenses	25,526.59
Rent & Lease	40,450.56
Taxes & Licenses	748.75
Travel	573.29
Lodging	518.18
Travel Meals	331.13
Total Travel	\$ 1,422.60
Utilities	0.00
Telephone	7,132.21
Total Utilities	\$ 7,132.21
Total Expenses	\$ 1,290,776.15
Net Operating Income	-\$ 1,334,882.26
Other Expenses	
Depreciation	158,513.00
Total Other Expenses	\$ 158,513.00
Net Other Income	-\$ 158,513.00
Net Income	-\$ 1,493,395.26

Value Innovation Technologies

Statement of Cash Flows

For the Year Ended December 31, 2019

	Total
OPERATING ACTIVITIES	
Net Income	-1,493,395.26
Adjustments to reconcile Net Income to Net Cash provided by operations:	
1200 Accounts Receivable (A/R)	-250,000.00
1874 Prepaid Expense	12,646.07
1702 Accumulated Depreciation	158,513.00
2000 Accounts Payable (A/P)	-5,809.45
2010 Unearned Income	217,750.75
Loan Payable	260,000.00
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	\$ 393,100.37
Net cash provided by operating activities	-\$ 1,100,294.89
FINANCING ACTIVITIES	
2120 Note Payable - C. McKee	-32,325.28
2130 Note Payable - Decathlon	337,800.82
2152 Note Payable - Mr. Kennedy	5,000.00
2165 Note Payable - Related Parties	33,597.02
3000 Common Stock	650,000.00
3500 Redeemable Preferred Stock	-300,000.00
Net cash provided by financing activities	\$ 694,072.56
Net cash increase for period	-\$ 406,222.33
Cash at beginning of period	407,295.72
Cash at end of period	\$ 1,073.39

**Value Innovation Technology**  
**Statement of Stockholder's Equity**  
**For the Year Ending December 31, 2019**

	Common Stock	Preferred Stock	Additional Paid-in Capital	Retained Earnings
Balance, December 31, 2018	\$ -	\$ 300,000.00	\$ 19,600.00	\$ (741,106.50)
Net Income (Loss)				(1,149,066.21)
Stock Conversion	650,000.00	(300,000.00)		
Balance, December 31, 2019	<u>650,000.00</u>	<u>-</u>	<u>19,600.00</u>	<u>(1,890,172.71)</u>

Description of Operations

Value Innovation Technologies Corp.

Value Innovation Technologies Corp. (VIT) is a software as a service company that builds electronic shopping catalogs for business clients.